

**ASSEMBLY BILL**

**No. 2731**

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**Introduced by Committee on Insurance (Assembly Members Perea (Chair), Hagman (Vice Chair), Bradford, Ian Calderon, Cooley, Dababneh, Frazier, Gonzalez, Nestande, V. Manuel Pérez, and Wieckowski)**

February 25, 2014

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An act to amend Sections 985.5, 1067.13, 1858.35, 11629.81 of, and to repeal Section 11759.2 of the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 2731, as introduced, Committee on Insurance. Insurance.

Existing law requires the Insurance Commissioner, the California Life and Health Insurance Guarantee Association, and the California Automobile Assigned Risk Plan to submit specified reports to the Governor and the Legislature by specified dates.

This bill would require those reports to be submitted to the Senate Committee on Insurance and the Assembly Committee on Insurance instead of to the Legislature.

Existing law also requires a licensed rating organization designated as the commissioner's statistical agent to prepare a report on the potential underreporting of workers' compensation exposure in the taxicab industry, and to submit that report to the commissioner by April 1, 2003, and to the Governor and the Legislature by May 1, 2003.

This bill would repeal that provision.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 985.5 of the Insurance Code is amended  
2 to read:

3     985.5. In the case of the insolvency of an admitted insurer, the  
4 commissioner shall prepare a report, which shall be a public record,  
5 with respect to the causes and factors which contributed to that  
6 insolvency. The report shall be submitted to the Governor, ~~and to~~  
7 ~~the Legislature~~ *Senate Committee on Insurance, and the Assembly*  
8 *Committee on Insurance* no later than one year from the date of  
9 the insolvency.

10    SEC. 2. Section 1067.13 of the Insurance Code is amended to  
11 read:

12    1067.13. The association shall be subject to examination and  
13 regulation by the commissioner. The board of directors shall submit  
14 to the commissioner, the Governor, ~~and the Legislature~~ *Senate*  
15 *Committee on Insurance, and the Assembly Committee on*  
16 *Insurance* each year, not later than 120 days after the association's  
17 fiscal year, a financial report in a form approved by the  
18 commissioner and a report of its activities during the preceding  
19 fiscal year. Upon the request of a member insurer, the association  
20 shall provide the member insurer with a copy of the report.

21    SEC. 3. Section 1858.35 of the Insurance Code is amended to  
22 read:

23    1858.35. On or before May 1 of each year, the commissioner  
24 shall submit a report to the ~~Legislature~~ *Senate Committee on*  
25 *Insurance, the Assembly Committee on Insurance,* and the  
26 Governor stating the number and type of complaints received under  
27 this article and the status and disposition of these complaints. The  
28 commissioner may make any recommendations for improving the  
29 efficiency and effectiveness of complaint handling under this  
30 article.

31    No information shall be provided under this section pertaining  
32 to a specified complaint against a specific insurer or rating  
33 organization. However, the commissioner may report that  
34 information in the aggregate.

35    SEC. 4. Section 11629.81 of the Insurance Code is amended  
36 to read:

37    11629.81. The California Automobile Assigned Risk Plan shall  
38 report to the ~~Legislature~~ *Senate Committee on Insurance and the*

1 *Assembly Committee on Insurance* on an annual basis, and at those  
2 additional times as it deems prudent, on the status of the program.

3 SEC. 5. Section 11759.2 of the Insurance Code is repealed.

4 ~~11759.2. (a) A licensed rating organization designated as the~~  
5 ~~Insurance Commissioner's statistical agent shall prepare a report~~  
6 ~~to be submitted to the Insurance Commissioner by April 1, 2003,~~  
7 ~~on the potential underreporting of workers' compensation exposure~~  
8 ~~in the taxicab industry. The report shall include an analysis of~~  
9 ~~workers' compensation exposure, loss, and premium in the taxicab~~  
10 ~~industry. The licensed rating organization shall submit a report to~~  
11 ~~the Governor, the Legislature, and the commissioner by May 1,~~  
12 ~~2003, that describes its findings.~~

13 ~~(b) A licensed rating organization designated as the insurance~~  
14 ~~commissioner's statistical agent may confer with state agencies,~~  
15 ~~including, but not limited to, the Employment Development~~  
16 ~~Department, in the preparation of the study. The state agencies~~  
17 ~~shall provide all necessary statistical or other information requested~~  
18 ~~by the licensed rating organization designated as the Insurance~~  
19 ~~Commissioner's statistical agent.~~